

QU

ANNUAL REPORT
OF THE
DIRECTORS
AND
CHIEF ENGINEER,
TO THE
SHAREHOLDERS
OF THE
QUEBEC AND RICHMOND RAILROAD COMPANY.

Presented, January 20th 1852.

QUEBEC :
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1852.

NA

NAMES OF THE PRESIDENT, DIRECTORS, AND OFFICERS
OF THE
"QUEBEC & RICHMOND RAILROAD COMPANY."

The Hon. RENE ED. CARON, <i>President.</i>	
DAVID RAMSAY STEUART, Esq. <i>Vice-President.</i>	
HENRY LEMESURIER, Esq.	
FRANCOIS REAL ANGERS, Esq.	
JAMES BELL FORSYTH, Esq.	
FRANCOIS X. PARADIS, Esq.	
THOMAS W. LLOYD, Esq.	
GEORGE H. SIMARD, Esq.	
CAPT. WILLIAM RHODES,	
WILLIAM PRICE, Esq.	
HENRY ATKINSON, Esq.	
GEORGE BESWICK, Esq.	
GEORGE BENSON HALL, Esq.	
THE MAYOR OF QUEBEC, (<i>ex officio.</i>)	

} DIRECTORS.

OFFICERS OF THE COMPANY.

E. P. MACKIE, *Secretary.*
ROBERT T. BAILEY, *Chief Engineer.*
R. SYMES, *Treasurer and Collector.*
S. LELIEVRE, *Legal Adviser.*

OFFICE :

9, *Buade Street.*

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DIRECTORS' REPORT.

The Directors of the "Quebec and Richmond Rail-road Company," in presenting their First Annual Report to the Proprietors, consider it necessary to call their attention to the circumstances which led to the formation of the Company.

For a long time the necessity of opening at all seasons of the year, a direct, rapid and cheap communication between the City of Quebec, the Eastern Townships, Montreal, Canada West and the United States, had been apparent; the divergence of its legitimate trade from this City, to localities favoured with better and more perfect modes of communication had long been regretted, and steps were taken in the year 1846, by some enterprising gentlemen who endeavoured to organize a Company to construct a Railroad between Quebec and Melbourne, which possessing the advantages so much desired, would have restored the City to the position it had lost, viz: that of the Commercial Capital of the Province; the unfortunate commercial crisis of 1847, prevented this arrangement from being carried out and the subject was not again agitated till the year 1849; in that year the City Council unanimously passed the following Resolution. Proposed by Mr. Lloyd, seconded by Mr. Tessier :—

"That His Worship the Mayor do call a public Meeting of the Citizens of Quebec, with a view of ascertaining the opinions and feelings of the Inhabitants of this City, as to the expediency of advan-

ing Corporation Bonds or Debentures to the amount of £100,000 to any Company now formed or hereafter to be formed, for the purpose of making a Railroad from Quebec to Melbourne, there to connect with the Montreal and Portland Railroad, by which an uninterrupted communication may be maintained at all seasons with Montreal and the United States."

"Dated Friday 21st September, 1849."

The Citizens at a Public Meeting called and presided over by His Worship the Mayor, and held in the Parliament Buildings, decided by an almost unanimous expression of opinion to aid in the construction of a Railroad between Quebec and Melbourne, (a distance of only 96 miles) to connect the City with the rest of the Province, and authorized the City Council to loan their Debentures to the extent of £100,000 to any Company that might be incorporated for this purpose; acting on the Resolution of the Citizens, the Council agreed conditionally to make the loan.

A Provisional Committee was nominated at the Meeting, Subscription lists opened and a Company organized under the name of "The Quebec and Richmond Railway."

The necessary notices having been duly published an application was made to the Provincial Parliament which resulted in the grant of a Charter incorporating the present Company. The Act contained a clause, giving authority to the City Council to subscribe to the Stock or loan money or securities for money to the Company.

The Directors consider themselves bound to declare the obligations which they, equally with the other Shareholders, are under to Mr. Lloyd a member of the Board, who prepared with considerable care and free of charge the Act of Incorporation: attended on, and assisted its passage through the Legislature.

On the 24th of October, the number of shares required by law, appearing by the books to have been subscribed for, the necessary notices signed by Ten or more subscribers having at least two hundred shares were published, calling the first general Meeting of the Proprietors to elect Directors, &c., in conformity with the Act; in pursuance of which notices a Meeting was held at the Court House in this City, on Tuesday, November 5th 1850, when the Provisional Committee named in the Act of Incorporation, surrendered its authority to the Proprietors, and the Company was legally organized by the election of Thirteen Directors, and at an adjourned General Meeting, held January 3rd 1851, the Rules, Regulations and Bye-Laws of the Company were adopted.

The Board is aware that some time after the first General Meeting, exception was taken by a few gentlemen to the proceedings of the Provisional Committee, in calling the Proprietors together, on the 5th November 1850, for the election of Directors; the real motive of the opposition made by these gentlemen the Board cannot understand to be the avowed one, viz: the insufficient number of shares subscribed at the date of the requisition before alluded to, because in point of fact the General Meeting was called by Ten or more of the Proprietors in conformity with the law, and not by the Provisional Committee.

Although not responsible for the acts of their predecessors, or of the Proprietors, the Board of Directors cannot allow this opportunity to pass without stating their conviction that the members of the Provisional Committee acted in perfect conformity with the law; and that the Books certainly contained the required number of shares, nor, had it been otherwise, can the Board conceive the members of the Provisional Committee to have been actuated by other than the purest motives, in

seeking to divest themselves, at the earliest opportunity, of an authority which they might have continued to hold.

If the first General Meeting on the 5th November, 1850, was premature (as is pretended) how can the motives or conduct of the Provisional Committee be impugned, or why in any case should the present Directors be attacked? had any irregularity been committed, the proper season to have pointed it out was at the General Meeting itself; but none existed, and the whole body of the subscribers by organizing the Company and electing the present Directors have assumed the entire responsibility of the Provisional Committee and all the consequences, whatever they may be—are binding upon the Company at large.

At the first Meeting of the Directors, P. Patterson, Esq., was unanimously elected President of the Company; an office which from ill health, he shortly after resigned, when the Honorable R. E. Caron was nominated to replace Mr. Patterson, and this gentleman continues to be President of the Company.

Mr. Benson one of the most active and enterprising members of the Board having died suddenly whilst on his way to England, Mr. Christian Wurtele was selected by the Proprietors at a Special General Meeting held January 3rd, 1851, to succeed him. Mr. Wurtele finding himself unable regularly to attend the Meetings of the Board, resigned; the vacancy thus caused was filled by the appointment of Mr. G. H. Simard on the 26th May, 1851, at another Special General Meeting of the Proprietors.

On the 13th June 1851, Mr. Patterson (one of the largest Shareholders and who had been President of the Company from its formation to within a short period of his death,) died; and Messrs. Henderson and Lampson having resigned, Messrs.

Atkinson, Paradis and Price were elected by the Proprietors at a Special General Meeting, held September 22nd, 1851, Directors of the Company.

The loan of £100,000 by the City Council to the Company, was, as before stated, conditional and one of the conditions, viz: a preference to the Corporation as creditors over the Provincial Government having been found incompatible with the Act of Incorporation and the Railway Guarantee Act, was so far modified by the Council as to be available to the Company, but jointly with this favor, resolutions were passed, insisting that surveys should be made of two lines commencing within the City Limits and passing, the one by Portneuf and Point Platon to Richmond; the other by Cap Rouge and St. Nicolas to the same termination,—the expence of these surveys to be divided equally between the Company and the Council, whilst the selection of the line after survey was left to the Council.

Looking at the Corporation grant as the very life of the undertaking, the Directors after mature consideration accepted these proposals and entrusted to Mr. A. C. Morton the celebrated Engineer, the duty of surveying, and reporting on the merits of the respective routes; with Mr. Morton was associated Mr. Larue on the part of the Corporation. The Surveys commenced on the 19th February, 1851, and terminated so far as the City Council was concerned on the 25th August 1851.

Mr. Morton having expressed a very decided opinion against the Platon route in the following terms :—

“A reconnaissance of the ground in the immediate vicinity of Point Platon, it appeared of an unfavorable character which together with the great additional length of road to be built, seemed to render it unnecessary that a detailed survey of the whole should be made.

"In making a terminus on the South Shore of the River it would be necessary to have at least half a mile of level ground for depot and other purposes, but as the water increases in depth and rapidity at that place, it would probably be necessary to adopt a gradient of 80 to 90 feet per mile, commencing a short distance from the River; thus to give an opportunity for a short distance of level road.

"The length of this grade would be $1\frac{3}{4}$ miles and the road-bed would necessarily be formed in the nearly perpendicular cliff and steep banks of the River.

"The work would be very expensive and circuitous and in addition to the difficulties above referred to, it is believed the distance will exceed that of the St. Nicolas route about 20 miles. In view, therefore, of these facts I would respectfully recommend that this route be abandoned."

In accordance however with the wishes of the City Council a further examination of the Platon route was made by Messrs. Bailey and Larue, and the report of the former gentleman was such as induced the City Council and Directors to abandon all idea of proceeding any further with the survey.

The descent to the St. Lawrence in the Parish of St. Nicolas, having been most carefully examined by Mr. Bailey with the view, if possible, of overcoming the nearly insurmountable difficulties it presented, was at last pronounced *impracticable*.

Mr. Morton's attention was then directed by order of the Directors, to an examination of both sides of the River without reference to any particular locality with the view of submitting to them a decided opinion as to the most eligible spot for a terminus the necessary instructions having been given by Mr. Morton, the survey was undertaken by Mr. Bailey, and resulted in his recommending the beach near Hadlow Cove, as the most desirable terminus with

reference to cost of construction, grades and length of road.

Acting on a requisition signed by several influential Shareholders, the Directors caused a survey of the valley at the back of Point Levi to be made with the view of ascertaining its merits, but this route was also condemned by the Engineers.

The Directors having presented Messrs. Morton and Bailey's reports and fully stated their own views to the Corporation, soliciting at the same time certain modifications of the Resolution granting the loan of £100,000 ; awaited with confidence the result of the long protracted and anxious debates on the subject ; convinced, however, that as they acted for the interests of the City, as well as of their Shareholders, the value and importance of their undertaking would ultimately be acknowledged, nor were they mistaken ; the grant of £100,000 was again confirmed by an unanimous vote, allowing the Directors to decide the question of a terminus, but making it binding on the Company to have entered into a valid contract for the construction of the whole road.

Some very responsible parties having agreed for the sum of £5,300 per mile, to build the entire line, that is from the beach near Hadlow Cove through St. Giles, Ste. Croix, Nelson, Somerset, Stanfold, Arthabaska, Warwick, Tingwick, Kingsey and Shipton to the station of the St. Lawrence and Atlantic Railroad at Richmond ; the Directors conditionally accepted their tender, provided the consent of the Government Railway Commissioners could be obtained.

An interview took place on the 4th November, between the Directors and the Railway Commissioners, at which although the Commissioners declined sanctioning the contract for the whole road, they gave the Directors such advice and encouragement, as induced them to place the first division of the line (that is from Hadlow Cove to the River

Chaudière) under contract, and the usual notices having been published, the work was let to Mr. James Rigney of Montreal, and subsequently approved of and sanctioned by the Government. The City Council with great liberality has agreed to advance £5000, by the issue of Debentures to that amount, so soon as the Company shall have expended a similar sum in the *bonâ fide* construction of the road.

On the 7th of the present month the Directors, had the extreme gratification of seeing the "first sod" turned by the Honorable Francis Hincks, Inspector General of the Province, in the presence of the members of the Honorable the Executive Council, the City Corporation and a large and influential number of the Shareholders. Speeches were made by several members of the Government in favor of the undertaking, and their aid promised individually and collectively to promote its success. The proceedings of the day terminated to the satisfaction of all present.

The works in the first section of the line are now being carried on with a due regard to the interest of of the Proprietors.

Annexed is the Auditors Report and the Directors beg to assure the Proprietors that they are about to send an efficient collector into the Townships, in order to give the Shareholders there, an opportunity of paying their respective instalments, and which they have not as yet been called on to do.

The attention of the Shareholders is particularly requested to the very able report of the Chief Engineer herewith submitted.

It is the intention of the Directors to confine the operations of this Department, to the actual location of the line to the Chaudière, and in staking it out for the Contractors, and in making the necessary plans, estimates, &c.

The engagement of Mr. Morton as Chief Engineer terminated on the completion of the Surveys, undertaken at the joint expence of the City Council

and the Company, the Directors appointed Mr. R. T. Bailey to succeed him, and they desire to express their approval of the very able and efficient manner in which Mr. Bailey has performed the important duties of Chief Engineer.

Having thus imperfectly detailed the various duties imposed on them during the past year, the Directors beg most emphatically to repeat their firm belief in the merits of the undertaking, their conviction that benefits incalculable will accrue to all classes of the community from the construction of the road, and their determination if still honored with the confidence of the Proprietors to devote all their energies to promote its success.

During months of anxiety and doubt, misrepresented and blamed, the Directors have never wavered in their belief, that having submitted to the Proprietors a true statement of the difficulties they have had to contend with, and of the present position of the Company they would be found not to have forfeited the trust reposed in them.

In conclusion the Board would remark that as the Imperial and Provincial Governments, have fully recognized the importance of the Quebec and Richmond Railway, and expressed their willingness to aid in its construction, it only remains for the Citizens of Quebec, the Capital of the Province, to second the kind intentions of the Government, and imitating the example of the City of Montreal, secure the immense advantages to be derived from an unbroken communication at all seasons of the year with the rest of the Continent.

In accordance with the terms of the Act of Incorporation Messrs. Watts, Foster and Atkinson retire from the Direction ; these gentlemen are eligible for re-election.

(Signed.)

D. R. STEUART,
Vice-President.

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ENGINEERS REPORT.

ENGINEER DEPARTMENT. }

Quebec, 17th January, 1852. }

SIR,

I have the honor to submit to the Directors, at this, the first Annual Meeting of the Shareholders, a brief report of the operations of the Engineer Department, during the past year.

This Department, over which I have been recently called upon to preside, as Chief Engineer, was duly organized for active service, in the early part of February last.

The preliminary Surveys of your road were made during the past season, and the route generally determined on, from the River St. Lawrence to the junction with the Montreal and Portland Railway, at the village of Richmond.

The various reports which have from time to time been submitted to your Board, on the subject of those Surveys, leave but little to be said at present. It may, however, be interesting to the Shareholders to be informed of the duties that have been performed since the first organization of the present Engineer Department.

At the time when it was first determined to commence the preliminary Survey of your road, the Company were bound by certain arrangements with the City Corporation to conduct their opera-

tions, according to instructions, mutually agreed upon by the parties.

Under these circumstances the duties confided to me, were of a delicate nature, more especially, as there existed at the time a great diversity of opinion as to the most advantageous route, and an anxiety that the "Terminus" should be in the City of Quebec.

The instructions to which I have reference were drawn up with that object in view, and my attention was accordingly confined to those points, on the "River St. Lawrence" opposite and above "Cap Rouge," which had been suggested as the most desirable for approaching the river, with a view of continuing the line to the City of Quebec.

I have thought proper thus to allude to the instructions, under which the preliminary Survey was commenced, in order to show some of the difficulties encountered, and consequent delays, in determining finally the route for the road.

Under the apprehension that certain difficulties would be with met in reaching tide water, and with a view of expediting the Survey, I determined to commence operations at the village of "Richmond" and proceed in the direction of Quebec.

Work was commenced by one party of Engineers, on the 19th of February last, an unfavourable season of the year, and continued until the 10th of April, when it became necessary to suspend field operations on account of high water.

The party were however immediately employed in the office, in preparing the necessary Maps, Profiles, and Estimates of the line run, embracing a distance of nearly ninety miles.

Upon the portion of the line from Richmond to the "Becancour River," a variety of routes were presented, which from the character of the Country, required a minute examination and rendered it

necessary, in some instances to survey different lines, in order to ascertain the most practicable.

The features of the Country in this distance are of a marked nature, and required great care and judgement, in determining properly the route to be pursued.

From Richmond to the South-West branch of the "Nicolet River," in Athabaska, a number of side lines have been run, and from the latter place a Survey was made of two distinct lines leading to the village of "Somerset."

The first pursued a direct course avoiding the village of "Stanford". The difficulties met with on this route were of so formidable a nature, as to suggest the propriety of running a line in the direction of Stanford, which finally resulted in the adoption of the latter.

The total distance from "Richmond" to the "Becancour River" by the present Survey is sixty and a half miles. ($60\frac{1}{2}$.) This distance will be some what reduced by the changes which it is contemplated to make on various portions of the line from "Danville" to the "Nicolet River."

On the 22nd day of May, field work was again resumed at the River "St. Lawrence," in the Parish of Saint Nicolas, at a point nearly opposite "Cap Rouge." This route was confined to the valley of Saint Nicolas River in order to reach the height of land immediately back of the St. Lawrence.

After a few days spent on the Survey of this line and upon a careful examination of the difficulties which it presented, it was decided to recommend to the Company, the abandonment of this route.

The great interest however taken by the City Corporation in the undertaking, and the great desire manifested by a large number of inhabitants, to have the terminus in the City, induced Mr. Morton, at that time Chief Engineer, to recommend a further Instrumental Survey of this route to be made;

until it intersected the line previously surveyed from "Richmond" to the "Becancour."

This duty, which was of an arduous and difficult nature, was duly performed, after which a Survey was ordered to be made of the line from "Cap Rouge" to the City, following the general direction of the valley of Saint Charles. At the same time an instrumental examination, was made at "Point Platon," with a view of ascertaining the practicability of a route in that direction should it prove necessary to abandon those previously surveyed.

This last comprised all the Surveys enumerated in the joint instructions, to which reference has already been made, and a report was accordingly submitted to the Company and the City Corporation, shewing the results of the several Surveys.

The report thus submitted contained no recommendation in favor of any particular route approaching the St. Lawrence, for the reason as stated in that report, that it would be injudicious to do so, until such time as a proper examination, and comparison had been made of the several proposed routes, not included in the instructions before referred to.

After due consideration it was decided, in compliance with the suggestion of Mr. Morton, to make the necessary Surveys, and accordingly on the 28th of August last, instructions were received by me to commence the Survey of the "Etchemin" and other routes : in order to enable the Company, to come to some decision respecting the proper one to be adopted. These instructions of the Board were duly complied with and a report was thereupon made, shewing their comparative advantages as contrasted with other routes previously surveyed, and finally recommending the adoption of the present one terminating at Hadlow Cove. Due consideration was given to the various interests, supposed to be affected by the question of

routes, to the welfare of the City, and the future prospects of the work.

This report was presented to the City Corporation, for their concurrence and approval, and accepted by them, as the most feasible and eligible route for the road.

With a view to remove any impressions unfavourable to the Company, which may have arisen, by reason of the length of time spent upon the Surveys, of the various routes, I may here remark ; that in the absence of any definite instructions, or regardless of any particular interests, either local or otherwise, I should have deemed it highly essential and necessary, before expressing any decided opinion to cause an examination to be made of all the proposed routes, without which no satisfactory opinion could be expressed as regards the proper terminus for the road, and for the future the Company would have to contest the opinions of interested parties, which would tend to embarrass the operations of the Company at the present time. All parties are now satisfied with the decision of this most important question, and I humbly conceive that the Directors and Shareholders have great reason to be satisfied with the result.

Having thus alluded to some of the circumstances connected with the Surveys, I would refer in brief terms to the Section of Country traversed by the line, with some remarks as to the final location through the Townships.

Your road diverging from the Montreal and Portland Railway, at the village of Richmond, passes through the Townships of "Shipton," "Tingwick," "Warwick," "Athabaska," "Stanfold," "Somerset" and "Nelson," and through the Seigniories of "St. Croix," "St. Giles," "St. Nicolas" and "Lauzon."

The direction of the road, passing through all the principal villages and settlement, is calculated to

draw to it all the trade of these Townships, as well as those lying more directly to the East.

The Villages of Richmond, Danville, Kingsey Falls and Athabaska, are places of considerable importance, where the trade of the surrounding Country concentrates; and it cannot be doubted, but that upon the completion of your road, a stimulus will be given to the industry and business of those places, which will form a "Nucleus" for a large and extensive trade, and furnish for your road a vast amount of traffic, both in freight and passengers.

The line as at present traced, avoids Kingsey Falls, which is capable of being made, (on account of its water power,) a place of much importance.

I believe, however, that the present route may be greatly modified after leaving Danville, and be made to pass within a short distance of the Falls; thus securing to the road the whole of the trade and business of that place.

Stanford and Somerset are flourishing villages: containing an active and enterprising population, and have within the last few years, made rapid advances in prosperity and wealth. It is confidently believed that with the advantages of this Railroad, in providing a cheap and expeditious means of reaching market, an importance will be given to those places, not inferior to the most favoured towns in the Eastern Townships.

The Township of Nelson and the Seignories of St. Croix and St. Giles, will contribute largely to the local business of the road, and lying as they do contiguous to the flourishing Townships of Inverness, Leeds, Ireland and Halifax, the trade of which is already considerable, will be greatly benefited by the increase of business from these places.

From the foregoing description of the Country traversed by the line of your road, it will readily

be perceived, that it occupies a most favourable position in every respect.

The trade of the Townships is already of great importance, and with the facilities afforded by your road, an immense increase of business will be the natural result.

Your road diverges from the Montreal and Portland Railway at the most favourable point for securing that trade ; and with the additional advantage of being able to transport all descriptions of goods, at a less rate than any other route.

Its favourable character, so far as regards grades, curvative, &c., are not the least of the many advantages which it possesses, affording as it will, the means of rapid and cheap transportation.

The charter of your Company wisely provides, that its intersection with the Montreal and Portland Railway, shall be in the Village of Richmond.

Whatever view may be taken of the importance of the Quebec and Richmond Railway, in connexion with other great lines, now in progress, or hereafter to be commenced ; I am firmly persuaded, after the most careful and deliberate consideration, that the true interests of the City of Quebec, and the future success of this road, will be best promoted by adhering strictly to the intention and spirit of the present act.

As already observed in another part of this report, the route as at present generally determined upon, combines great advantages for securing to it a large amount of local and through business. Any great deviation from the present line with a view of shortening the distance, to the City of Montreal, would be followed by unfortunate results ; not only to the future success and prospects of the work itself ; but would seriously impede the growth and advancement of the section of Country it is designed to benefit.

The present route is of the most favorable character throughout, and with the improvements which can be made, by an actual location, it is believed, no road of equal extent in "Canada" will surpass it in importance.

By pursuing a more Westerly course, only a small section of Country would participate in the advantages of the road, and the result would be to divert a great share of the immense trade of the Townships to a southern market.

The Citizens of Quebec, are deeply interested in the proper decision of this question and I cannot omit the present occasion to urge upon your Board, the importance of confining themselves strictly to the present route.

Having thus alluded to the various duties which have devolved on this Department; the character of the country through which the road is intended to pass, and its business prospects, I would again observe, that the adoption of the present route: terminating at the River St Lawrence, in the vicinity of Hadlow Cove, and nearly opposite the City of Quebec, was decided upon, after a careful examination and Survey of every proposed route.

The great advantage to be derived in adopting this route consists, in the facility which it affords for descending to tide water, with a moderate grade.

Commencing at Hadlow Cove, the line traverses the beach to Point Levi Mills; where an inclination of fifty feet per mile, for a distance of $2\frac{1}{2}$ miles, is adopted. This rise overcomes the greatest difficulty on the whole line.

The crossing of the Etchemin River is made a short distance above the present road bridge, and at a very favourable point.

The Survey of this line has been extended as far as the Black River settlement in the Seignory of St. Giles; and an actual location has been made

to "Trout Brook," a distance of about six miles from the River St. Lawrence.

The necessary Maps and Books of references, containing the names of the respective proprietors, have been prepared and deposited in the proper Offices of the Provincial Government.

The total distance of your road from Richmond to the City of Quebec, is $101\frac{1}{2}$ miles, and the estimated cost is £520,000.

Choice Timber and other building materials, required for the road abound throughout the line.

The soil is of a sandy nature, affording a most excellent material for the road-bed.

A large portion, equal to 60 per cent of the whole road, will be either level, or of an inclination not exceeding, 15 feet per mile. There are no grades to exceed 30 feet per mile, except the approach to the River St. Lawrence, and for a short distance at Richmond, where a grade of 50 feet per mile is required.

These form the most important features of your road and may be considered of a highly satisfactory character.

The disbursements made by the Engineer Department up to the present time is £1608 12 6. From this amount should be deducted certain expences not properly chargeable to the cost of the Survey.

The present contract of Mr. Rigney for grading, &c. embraces a distance of about seven miles, and includes the Bridge across the Etchemin River.

It gives me satisfaction, to have it in my power to state ; that the contract price for performing the several kinds of work, coincides very nearly with my original estimate, for that Division of the road.

The ceremony of breaking ground took place on the 7th of January, and immediatly afterwards active preparations were made for carrying on the work with vigor.

The Company have every assurance in the integrity and acknowledged ability of Mr. Rigney, that the work will be conducted in a satisfactory manner.

Preliminary steps have been taken for the settlement of land damages, on the 1st division of the road, and it is believed no serious obstacles will occur to prevent an amicable arrangement with the various proprietors.

The most important section of the road has been placed under contract and the terms and conditions are most favourable to the Company.

The line from the Chaudière River to "Somerset" can be located early in the Spring and as the work on this section of the road is comparatively easy, it may be completed simultaneously, with the first division.

At no period : Since the first organization of the Company, have the Shareholders met under more favourable auspices, than the present.

The many difficulties and embarrassments, which your Company in common with others, have had to contend with at the outset, are now in a great measure removed, and far, from having any reason to feel discouraged, on the contrary have every assurance, that having surmounted the worst difficulties, they have ensured the success of the undertaking.

The Co-operation of the City Council, who have acted with a liberality deserving of great praise, has contributed largely to bring about the present results.

They have thus shewn their appreciation of the importance of this work, not only, to the City of Quebec, but also to the section of Country which must hereafter contribute much to its future advancement and business.

One great object to be gained by the construction of this road, is to cheapen and facilitate the transport of supplies between the Country and the City, and to open for settlement a rich agricultural Country.

The Citizens of Quebec may justly feel a pride and interest, in the accomplishment of an undertaking which is to secure to them, so many important advantages, and it is to be hoped, that no want of energy or means on their part, will permit the work to be delayed.

The advantages and benefits of Railways, are at the present time so well understood, that it requires no argument to prove their value and importance.

The enhanced value of all kinds of property, both real and personal, consequent upon the construction of this road, will in my opinion, be far greater than the cost of the work itself.

It is only necessary to turn our attention to the neighbouring "States," where a net work of railways has been built, to illustrate fully and forcibly the truth of these remarks.

The citizens of Quebec, are not called upon to contribute to an undertaking, which will have the effect of diverting trade from its legitimate channel to seek a market in the "States," as is the case with other lines about being constructed in "Canada;" but they are asked, merely to lend their assistance and countenance to a work, which has widely different objects in view, viz: that of retaining and fostering the trade and business of this section of the Country.

The views which I have been let to entertain of the importance of your road, are not exaggerated from the circumstance of my connection with it, but are entertained alike by all, who have duly investigated its merits, and claims to public support.

I cannot do better in closing this report than to offer the concluding remarks of A. C. Morton Esq. in his report to the Directors of the 15th of August last.

Mr. Morton's high position as an Engineer and his connection with many of the most important lines of Railway in the "United States," entitles his opinion to great weight.

“ The prospective business of your road is a subject, which at the present time, I am unprepared to present with much detail, not being in possession of the requisite statistical information. I may briefly remark, however, that the Country through which the line passes, is cultivated, to a considerable extent, and possesses great agricultural capabilities.

“ Water power is abundant along the line, and at several points, villages have grown up which contain an active and enterprising population.

“ The Townships South and East of the line, are rapidly being settled by a hardy and industrious population, and the Country generally is advancing in improvements and in the amount of its products.

“ At the falls of the Becancour in the Township of Inverness, there is a valuable water power, and from its favourable position, it will doubtless become a flourishing place. The water power is already improved to some extent, and, being situated at the foot of a chain of Lakes, which furnish the means of transporting the timber of the adjacent Country to the mills, adds much to its business capabilities, with the means of reaching market which would be furnished by the construction of your road, the amount of lumber manufactured here, would be greatly increased. It is not practicable to carry the round to a point nearer this place than about four miles, without too great a deviation of the line from a direct course, and a large additional expenditure.

“ With a view to the accommodation of the business of the place, and that of the flourishing townships in this direction, it has been suggested that a branch from the main road, should be extended up the Becancour river. This is practicable, and is a question which in the construction of your road, should receive due consideration.

“ The City of Quebec is the principal port on the St. Lawrence, for sea going vessels and being con-

nected with the "far West" by the most magnificent line of inland navigation in the World, enjoys great commercial advantages and has an extensive trade in lumber and breadstuffs and is largely engaged in ship building.

"There were in 1850, 1064 Vessels, having an aggregate measurement of 475,440 tons, loaded with timber at this port; the total measurement of of vessels built in 1850 was 30,387 tons.

"The value of exports from the port of Quebec in 1850, were £1,297,423, and of imports £686,441. The assessed valuation of real estate for the City of Quebec, is £2,500,000.

"The establishment of the seat of Government at Quebec, will add much to its growth and prosperity, and largely increase the travel in this direction.

"The population of the City and County of Quebec, according to the census of 1848, is 49,000. The population by the same census of the several Counties, contiguous to the line of the road, on the Southerly side of the St. Lawrence, was 89,336 or an aggregate of 138,336.

"At the present time this population is probably not less than 150,000. There has been a great increase in the population of the townships, within a few years, from emigration.

"This population being on or in the immediate vicinity of the line, is directly interested in its construction and will make up the local business of the road. It is however important to take a more extended view of the sources of business which may be justly claimed for your line.

"The connection which your road is to form with those proposed or in progress, gives it an important position.

"It forms part of the grand trunk line now in contemplation, which is to extend from Halifax through all the Provinces, to the River St. Clair, a distance of 1388 miles. While it constitutes a part

of this great line, it furnishes a connection with the St. Lawrence and Atlantic road, a direct railway communication between the Cities of Montreal and Quebec, which exceeds but a trifle the distance by the River, and will give a saving of time during the season of navigation of from 3 to 4 hours, and for half the year a saving of upwards of 24 hours to each passenger.

"An immense number of pleasure tourists annually visit the St. Lawrence, and the greater portion are drawn to Quebec, from its historical associations and the unequalled attractions of the surrounding Country. The greater portion of this travel will be attracted to the road, or at least will pass over it in one direction.

"Your road also perfects a direct railway communication from Quebec to Portland, Boston, New York, and by connecting railways to almost every part of the United States.

"Travellers descending the St. Lawrence, will thus be furnished with a most expeditious and attractive route to the Sea board, with an opportunity of visiting the White Mountains on the way, or return to Montreal by railway, and thence visit Lake George and the Springs, in either case passing over the whole of your road.

"Your road also connects Quebec with the Eastern portion of Maine, through the Portland and Montreal road and other railways of Maine, and eventually, with the lower Provinces through the proposed European and North American Railway.

"It occupies a central position in the great trunk line through the Provinces, and the larger portion of the European or other travel, which will be drawn from either direction, will pass over it.

"Having a winter communication with Atlantic Ports, merchants will not necessarily be obliged to purchase six months stock of goods in the fall, but importations may be made monthly, if desirable,

and thus take advantage of the market and at the same time secure seasonable goods.

"With this general view of the connections and business of your road, I may remark, that the value of its stock, will much depend upon its judicious location and management. If this is secured and its connection with the trunk lines of the Provinces and the "United States" perfected, there is a reasonable degree of assurance that it will be a remunerative investment.

"This however, is but a limited view of the subject, the great benefits which are to be derived from its construction by the whole of the townships, East of the St. Francis River, in opening a cheap and expeditious means of reaching a market, in the settlement of Vacant Lands, and in the vastly increased value of almost every description of property, both in the Country and in the City, are considerations for out weighing all others.

"Experience has shown in nearly all similar undertakings, that the increased value of property consequent upon their construction, and the benefits accruing from a vastly increased amount of business, in Cities and Towns, on and adjacent thereto, have been greater than the cost of the works themselves. The secluded district of Country through which your road passes, the absence of cheap communications to reach a market, and the peculiar position of Quebec, are substantial reasons for believing, that similar results will follow the construction of your road."

Respectfully submitted, by

Your most obedient humble Servant,

R. T. BAILEY.

Chief Engineer.

To EDMUND PHIPPS MACKIE, Esq.,

Secretary,

Quebec and Richmond Railroad Company.

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AUDITORS' REPORT.

The Auditors appointed at the Special General Meeting of the Stockholders, held at the Company's Office, on the 29th December 1851.

Beg leave to Report :—

That the Books and Account accompanied by Vouchers, have been laid before them, in conformity with the law, and that they have examined the same.

From these Books, it appears that the number of Stockholders, on the 31st December 1851, was 396, who have subscribed for 1,748 Shares, amounting to £21,850. No instalments have been paid on 576 shares, and on the remaining 1172 shares, there has been received £1,002 11 3 in Cash, and £1762 10s. in Bills Receivable, making £2765 1 3, received on account of Instalments. From sundry individuals there has been received, £86 10 0, forming together the sum of £2,851 11 3. Of this amount there has been expended for incidental Expenses attendant on the establishment of the Company, Office Expenses and Salaries, the sum of £652 10 8. For Engineering expenses in surveying the route of the Railway, including the expence of the Etchemin Survey, &c., the sum of £1,608 12 6, from which is to be deducted £596 18 11, being the proportion of the expence of the Survey paid by the Corporation of Quebec, leaving £1,011 13 7 as the amount paid by this

Company. For Printing, Advertising, &c., there has been expended the sum of £128 9 11. For interest there has been paid £51 6 2, forming a total expenditure of £1,844 0 4; leaving a balance in the Treasurer's hands of £1,007 10 11, viz: in Cash £175 0 11, in Bills Receivable £832 10 0, which amounts have been found to correspond with the Balance in the hands of the Treasurer.

The whole, nevertheless, humbly submitted.

F. H. ANDREWS, }
W. H. A. DAVIES, } Auditors.

Office of the Quebec and Richmond Railroad Company, }
Quebec, 17th January, 1852.

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